Government of
Saskatchewan

Financial Statement
2001-2002

North West
Regional College

103-00714/

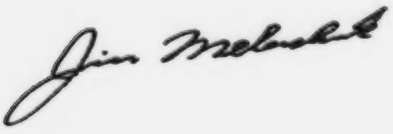
Letter of Transmittal

The Honourable Dr. Lynda M. Haverstock
Lieutenant Governor
Province of Saskatchewan

Your Honour:

I have the honour to submit for your consideration the Financial Statements of the North West Regional College for the year ending June 30, 2002.

Respectfully submitted,



Jim Melenchuk
Minister of Learning

NORTH WEST REGIONAL COLLEGE

AUDITORS' REPORT AND FINANCIAL STATEMENTS

June 30, 2002

NORTH WEST REGIONAL COLLEGE

Statement of Management Responsibility

The College is responsible for the preparation of the financial statements and has prepared them in accordance with Canadian generally accepted accounting principles and in accordance with the guidelines developed by Saskatchewan Department of Learning. The College believes the financial statements present fairly the College's financial position as at June 30, 2002 and the results of its operations for the year then ended.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the College has developed and maintains a system of internal control designed to provide reasonable assurance that College assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of financial statements.

The Board of Directors carries out its responsibility for the review of the financial statements principally through the Finance Committee. The Finance Committee meets with management and with the external auditors to discuss the results of the audit examinations and financial reporting matters. The external auditors have full access to the Finance Committee with and without the presence of management.

The financial statements for the year ended June 30, 2002 have been reported on by Downie Johnson Svenkeson, Chartered Accountants. The Auditors' Report outlines the scope of their examination and provides their opinion on the fairness of presentation of the information in the financial statements.

President

Director of Administration

DOWNIE JOHNSON SVENKESON
Chartered Accountants

R. G. Downie, CA
R.W. Johnson, FCA*
B. W. Svenkeson, CA*

1321 - 101st Street
North Battleford, Saskatchewan
S9A 0Z9
Telephone: (306) 445-6291
Telecopier: (306) 445-3882
E-Mail: downienb@sk.sympatico.ca

AUDITORS' REPORT

To the Board of Governors
North West Regional College

We have audited the statement of financial position of North West Regional College as at June 30, 2002 and the statements of operations, changes in net assets and cash flows for the year then ended. The College is responsible for preparing these financial statements for Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2002 and the results of its operations and the cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

North Battleford, Saskatchewan
September 6, 2002.

Downie Johnson Svenkeson
Chartered Accountants.

* Denotes a Professional Corporation.

NORTH WEST REGIONAL COLLEGE

Statement of Financial Position

as at June 30, 2002

STATEMENT 1

	2002				2001
	Operating Fund	Capital Fund	Scholarship Fund	Total	Total
Assets					
Current assets					
Cash	$ 569,314	$ 372,855	$ 21,821	$ 963,990	$ 645,887
Accounts receivable (Note 3)	667,540			667,540	575,848
Inventory	30,833			30,833	12,958
Prepaid expenses	5,644			5,644	7,820
	1,273,331	372,855	21,821	1,668,007	1,242,513
Non-current assets					
Capital assets (Note 4)		1,641,013		1,641,013	1,672,803
	$ 1,273,331	$ 2,013,868	$ 21,821	$ 3,309,020	$ 2,915,316
Liabilities and net assets					
Current liabilities					
Accounts payable (Note 5)	$ 793,930			$ 793,930	$ 570,693
Accrued liabilities	67,921			67,921	67,825
Accrued holiday pay (Note 6)	143,073			143,073	121,347
Unearned income (Note 7)	14,392			14,392	47,665
	1,019,316			1,019,316	807,530
Net assets					
Invested in capital assets		$ 1,641,013		1,641,013	1,672,803
Internally restricted (Schedule 4)	158,554	372,855	$ 21,821	553,230	434,983
Unrestricted	95,461			95,461	
	254,015	2,013,868	21,821	2,289,704	2,107,786
	$ 1,273,331	$ 2,013,868	$ 21,821	$ 3,309,020	$ 2,915,316

See accompanying notes to financial statements.

Approved by the Board of Governors:

Sherman Kaskenlief — Chairperson

Jean T. Pelletier — Vice-Chairperson

NORTH WEST REGIONAL COLLEGE

Statement of Operations

STATEMENT 2

for the year ended June 30, 2002

	Operating			Capital		Scholarship		Total	
	Budget (Note 10)	2002	2001	2002	2001	2002	2001	2002	2001
Revenue (Schedule 1)									
Saskatchewan Department of Learning	$ 3,699,301	$ 4,502,804	$ 3,785,853	$ 60,000	$ 385,000	$ 3,125		$ 4,565,929	$ 4,170,853
Federal Government			7,277						7,277
Other	1,317,498	1,439,046	1,328,151			2,486	$ 1,335	1,441,532	1,329,486
	5,016,799	5,941,850	5,121,281	60,000	385,000	5,611	1,335	6,007,461	5,507,616
Expenses (Schedule 2)									
Agency contracts	871,452	1,146,357	901,039					1,146,357	901,039
Amortization				171,382	166,671			171,382	166,671
Operating (Schedule 3)	805,825	810,532	759,249					810,532	759,249
Personal services	3,169,800	3,179,930	3,213,559					3,179,930	3,213,559
Rentals	297,337	492,582	248,606					492,582	248,606
Repairs and maintenance	5,159	12,272	9,272					12,272	9,272
Scholarship						12,488	802	12,488	802
	5,149,573	5,641,673	5,131,725	171,382	166,671	12,488	802	5,825,543	5,299,198
Excess (deficiency) of revenue over expenses	$ (132,774)	$ 300,177	$ (10,444)	$ (111,382)	$ 218,329	$ (6,877)	$ 533	$ 181,918	$ 208,418

See accompanying notes to financial statements.

STATEMENT 3

NORTH WEST REGIONAL COLLEGE
Statement of Changes in Net Assets
for the year ended June 30, 2002

	2002						2001
	Operating Fund		Capital Fund				
	Internally Restricted	Unrestricted	Invested in Capital Assets (Note 4)	Internally Restricted	Scholarship Fund	Total	Total
Net assets, beginning of year	$ 210,074		$ 1,672,803	$ 207,459	$ 17,450	$ 2,107,786	$ 1,899,368
Excess (deficiency) of revenue over expenditures		$ 300,177	(111,382)		(6,877)	181,918	208,418
Inter fund transfers	(51,520)	(204,716)	79,592	165,396	11,248		
Net assets, end of year	$ 158,554	$ 95,461	$ 1,641,013	$ 372,855	$ 21,821	$ 2,289,704	$ 2,107,786

See accompanying notes to financial statements.

NORTH WEST REGIONAL COLLEGE

Statement of Cash Flows

for the year ended June 30, 2002

STATEMENT 4

	2002	2001
Cash from operating activities		
Excess of revenue over expenses	$ 181,918	$ 208,418
Add item not involving current cash flow:		
Amortization	171,382	166,671
	353,300	375,089
Net change in non-cash working capital balances related to operations		
Increase in accounts receivable	(91,692)	(30,247)
Increase in inventories	(17,875)	(5,457)
Decrease (increase) in prepaid expenses	2,176	(490)
Increase in accrued holiday pay	21,726	14,260
Increase in accounts payable and accured liabilities	223,333	450,812
Decrease in unearned income	(33,273)	(163,388)
	457,695	640,579
Investment activities		
Purchase of capital assets	(139,592)	(507,846)
Net cash provided in year	318,103	132,733
Cash and cash equivalents at beginning of year	645,887	513,154
Cash and cash equivalents at end of year	$ 963,990	$ 645,887

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with financial institutions. Cash and cash equivalents included in the cash flow statement comprised the following balance sheet amount:

Cash	$ 963,990	$ 645,887

See accompanying notes to financial statements.

NORTH WEST REGIONAL COLLEGE
Notes to Financial Statements
June 30, 2002

1. Purpose and authority

The North West Regional College offers educational services and programs under the authority of Section 14 of the *The Regional Colleges Act*. North West Regional College was established in 1975 as Mistikwa Community College. On January 1, 1988 *The Regional Colleges Act* was proclaimed, and the College was renamed North West Regional College to reflect its new mandate and extended boundaries. The mission of North West Regional College is to provide adult learning opportunities and to promote life-long learning as a means of enhansing the cultural, economic and social life of the individuals and communities it serves.

The Board of the North West Regional College is responsible for administering and managing the educational affairs of the College in accordance with the intent of the *The Regional Colleges Act* and its regulations.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles, and include the following significant accounting policies contained in the Regional Colleges' Accounting and Reporting Manual:

a) Fund accounting

A fund is a separate set of accounts provided for each accounting entity established within the accounting system to segregate the transactions of the particular activity. The funds are:

i) Operating fund

This fund contains the current revenue, expenditures, and liabilities pertaining to the general activities of the College.

ii) Capital fund

This fund contains the capital assets of the College and equity in the capital assets, net of the annual amortization expense. Included in the capital fund are the appropriations for future capital expenditures.

iii) Scholarship fund

This fund accounts for all designated donations, grants and specifically allocated operating revenues for the purpose of awarding scholarships to students of the College.

NORTH WEST REGIONAL COLLEGE
Notes to Financial Statements
June 30, 2002

2. **Significant accounting policies** (Continued)

b) Revenue recognition

The College follows the restricted fund method of accounting for grants. Restricted transfers related to general operations are recognized as revenue of the operating fund in the year in which the related expenses are incurred. Transfers restricted for capital assets are recognized as revenue of the capital fund when received or receivable.

Unrestricted operating transfers are recognized as revenue of the operating fund when received or receivable. Tuition and fee revenue is recognized as the course of instruction is delivered. Revenue from contractual services is recognized as the service is delivered.

c) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Amortization is charged on a straight-line basis over the estimated useful lives of the assets at the following rates, and is reported as an expense in the capital fund:

Buildings	2.5% to 4%
Furniture and equipment	10% to 33%
Land improvements	20%

d) Inventories

Inventories are valued at lower of cost or net realizable value.

e) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they became known.

3. **Accounts receivable**

Accounts receivable are composed of the following:

	2002	2001
Federal Government	$ 9,531	9,323
Department of Learning	499,680	404,294
SIAST	16,414	4,592
Other	141,915	157,639
	$ 667,540	575,848

NORTH WEST REGIONAL COLLEGE
Notes to Financial Statements
June 30, 2002

4. Capital assets

Capital assets consist of:

	Cost	2002 Accumulated Amortization	2002 Net Book Value	2001 Net Book Value
Buildings	$ 1,741,995	233,691	$ 1,508,304	$ 1,529,346
Furniture and equipment	1,019,576	897,221	122,355	129,651
Land improvements	17,258	6,904	10,354	13,806
	$ 2,778,829	1,137,816	$ 1,641,013	$ 1,672,803

In 1998, North West Regional College and North Battleford School Division No. 118 entered into a Capital Cost Sharing Agreement to participate in a joint capital project at the North Battleford Comprehensive High School. As part of phase 1 renovations undertaken in 1999 the college space enjoyed an addition and major renovations to accommodate the college's Battlefords Campus and main adminstrative offices.

An independent asset appraisal undertaken by Battlefords School Division and conducted in April, 2000 determined the depreciated value, based on the college's 15.5% share of the facility, is $4,209,452.

Title to the lands and buildings are held in the name of the School Division, with the College's 15.5% proportionate share held in trust.

5. Accounts payable

	2002	2001
Trade	$ 685,633	445,288
Wages	108,297	125,405
	$ 793,930	570,693

6. Accrued holiday pay

	2002	2001
Accrued holiday pay at beginning of year	$ 121,347	107,087
Net adjustment, current year	21,726	14,260
Accrued holiday pay at end of year	$ 143,073	121,347

NORTH WEST REGIONAL COLLEGE
Notes to Financial Statements
June 30, 2002

7. Unearned income

Unearned income consists of:

	2002	2001
Department of Learning		$ 10,000
Other	$ 14,392	37,665
	$ 14,392	$ 47,665

8. Related party transactions

These financial statements include transactions with related parties. The College is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the College is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms.

In addition, the College pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Expenses for related party transactions during the year were as follows:

	2002	2001
SaskPower	$ 10,187	$ 8,960
SaskTel	62,106	48,063
Saskatchewan Property Management Corp.	227,710	45,526

The College provided courses in conjunction with the Saskatchewan Institute of Applied Science and Technology (SIAST). During the year the College expended $673,313 (2001, $496,989) for courses provided by SIAST. As at year end, there was no payable to SIAST (2001, $NIL).

During the year the College entered into a contract with the Saskatchewan Communications Network (SCN) to deliver various training and educational programs. The College received $99,000 during the year from SCN for these programs (2001, $99,000).

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

NORTH WEST REGIONAL COLLEGE
Notes to Financial Statements
June 30, 2002

9. Pensions

Employees of the College participate in one of the three pension plans. Teacher's and other employees holding a teaching certificate participate in a defined benefit plan; either the Teacher's Superannuation Plan (TSP) which is administered by the Teachers' Superannuation Commission or the Saskatchewan Teachers' Retirement Plan (STRP) which is administered by the Saskatchewan Teachers' Federation. The College has no financial obligation to TSP or STRP. Eligible employees contribute to TSP and STRP for their current service. The General Revenue Fund is responsible for the required employer contribution of the STRP and for the financial obligations of the TSP. All other employees participate through Municipal Employees' Pension Plan (MEPP) which is also a multi-employer defined plan. The last actuarial valuation of the MEPP indicated there was a surplus in the plan. The College's financial obligation to the MEPP is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year amounted to $108,366 (2001, $101,012).

10. Budget

The budgeted figures reported in the Statement of Operations are obtained from the annual budget approved by the Board and included in the annual budget review document submitted to and approved by the Department of Learning. The budget was approved by the Regional College Board on June 25, 2001 and by the Minister of Saskatchewan Department of Learning on February 12, 2002.

11. Financial instruments

There are no significant terms and conditions related to financial instruments classified as current assets or current liabilities that may affect the amount, timing and certainty of future cash flows.

The majority of the College's receivables are from Department of Learning, therefore the credit risk is minimal.

The carrying amount of accounts receivable, accounts payable, accrued liabilities and accrued holiday pay approximate fair market value due to their immediate or short-term nature.

NORTH WEST REGIONAL COLLEGE
Operating Fund
Schedule of Revenue by Function
for the year ended June 30, 2002

Schedule 1

	2002								2001
	--Administration--	Programing				----- Support Services ----			
		Non-Credit	Adult Education	Vocational Technical	University Credit	Career Services	Student Services	Total	2002 Budget Total (Note 10)	Total
Department of Learning										
Administrative recovery				$ 7,904				$ 7,904	$ 12,000	$ 7,230
Base grant	$ 1,770,635		$ 58,872	10,944	$ 81,687	$ 74,304		1,996,442	1,553,613	1,481,352
Program payments	360,410	$ 25,603	730,592	1,031,904		155,223		2,303,732	2,083,688	2,198,168
Other	150,894			2,700		41,132		194,726	50,000	99,103
	2,281,939	25,603	789,464	1,053,452	81,687	270,659		4,502,804	3,699,301	3,785,853
Federal government										
Projects										7,277
Other										
Contracts	36,284	47,909	173,387	50,825	62,716			371,121	339,954	463,516
Interest	36,760							36,760	60,500	71,446
Rents	3,147	407		675				4,229	600	4,693
Resale items	30,991	962	1,033	46,153			$ 97,072	176,211	110,215	119,621
Tuition fees		116,739	3,502	418,470	96,014	330		635,055	689,607	582,634
Other	68,611	281		142,606	4,172			215,670	116,622	86,241
	175,793	166,298	177,922	658,729	162,902	330	97,072	1,439,046	1,317,498	1,328,151
Total revenue	2,457,732	191,901	967,386	1,712,181	244,589	270,989	97,072	5,941,850	5,016,799	5,121,281
Total expenses (Schedule 2)	2,276,772	187,795	914,972	1,742,306	237,158	172,302	110,368	5,641,673	5,149,573	5,131,725
Excess (deficiency) of revenue over expenses	$ 180,960	$ 4,106	$ 52,414	$ (30,125)	$ 7,431	$ 98,687	$ (13,296)	$ 300,177	$ (132,774)	$ (10,444)

See accompanying notes to financial statements.

NORTH WEST REGIONAL COLLEGE
Operating Fund
Schedule of Expenses by Function
for the year ended June 30, 2002

Schedule 2

	2002										2001
	General Administration			Programing				Support Services			
	Board	Administrativ	Organizational	Community & Individual Development	Adult Basic Education	Vocational Technical	University Credit	Career Services	Student Services	Total	2002 Budget Total (Note 10)	Total
Contractual and professional		$ 51,487	$ 647	41,286	$ 29,238	$ 891,498	118,201	$ 14,000		1,146,357	$ 871,452	$ 901,039
Rentals		8,579	193,617	19,074	86,360	132,538	33,396	19,018		492,582	297,337	248,606
Repairs and maintenance		3,502	4,884		46	284	761	2,795		12,272	5,159	9,272
Operating expenses (Schedule 3)	$ 35,429	84,646	208,080	20,243	86,888	189,466	40,142	35,270	110,368	810,532	805,825	759,249
Personal services	16,842	703,462	965,597	107,192	712,440	528,520	44,658	101,219		3,179,930	3,169,800	3,213,559
	$ 52,271	$ 851,676	$ 1,372,825	187,795	$ 914,972	$ 1,742,306	237,158	$ 172,302	110,368	5,641,673	$ 5,149,573	$ 5,131,725
Total by function			$ 2,276,772				3,082,231		282,670			

See accompanying notes to financial statements.

NORTH WEST REGIONAL COLLEGE
Operating Fund
Schedule of Operating Expenses
for the year ended June 30, 2002

Schedule 3

	2002 Total	2002 Budget Total (Note 10)	2001 Total
Advertising	$ 90,316	66,097	$ 63,115
Association fees and dues	10,911	7,125	9,790
Bad debts	245		261
Bank charges and interest	3,535	1,930	1,991
Computer software	6,763	14,524	11,033
Equipment	24,744	71,013	58,037
Goods and services tax	52,514	30,596	58,168
In-service training	54,568	54,016	60,759
Insurance	11,079	12,306	11,991
Licenses and taxes	617		
Materials and supplies	163,043	139,806	115,176
Postage, freight and courier	14,624	18,485	11,985
Printing and duplicating	15,271	28,339	15,416
Resale items	151,964	105,042	115,998
Subscriptions	1,783	300	972
Telephone	44,731	48,058	38,450
Travel	121,406	165,425	149,296
Utilities	4,626	4,988	3,575
Other	37,792	37,775	33,236
	$ 810,532	805,825	$ 759,249

See accompanying notes to financial statements.

NORTH WEST REGIONAL COLLEGE
Schedule of Restricted Net Asset Transactions
June 30, 2002

Schedule 4

Internally Restricted	Balance Beginning of Year	Appropriation to Net assets	Appropriation from Net assets	Balance End of Year
OPERATING FUND - Internally Restricted				
Administrative computer system	$ 30,974		$ (10,000)	$ 20,974
TEL		$ 45,730		45,730
Programs	129,000	91,850	(129,000)	91,850
Enrollment management	14,400		(14,400)	
Severance	6,150		(6,150)	
Scholarships	3,123		(3,123)	
Contingencies	26,427		(26,427)	
Total operating fund	$ 210,074	$ 137,580	$ (189,100)	$ 158,554
CAPITAL FUND				
TEL	$	$ 78,530		$ 78,530
Meadow Lake	81,687	103,542	$ (10,729)	174,500
Computer equipment	68,761	35,000	(40,476)	63,285
F/E Replacement - general	35,310	29,980	(38,124)	27,166
N. B. campus project	21,701	45,740	(38,067)	29,374
Total capital fund	$ 207,459	$ 292,792	$ (127,396)	$ 372,855
SCHOLARSHIP FUND				
Scholarships	$ 17,450	$ 11,248	$ (6,877)	$ 21,821

See accompanying notes to financial statements.

North West Regional College

LIST OF PAYMENTS TO BOARD OF GOVENORS
AND OUT-OF-SCOPE MANAGEMENT FOR 2001-2002
Personal Services

(unaudited)

		Salary
Beaver, Pam	$	36,414
Clipperton, Robert	$	935
Hamilton, Ian	$	51,244
Hritzuk, John	$	1,980
Krahenbil, Sherman	$	6,665
Martin, Ruth	$	1,485
McArthur, Ann	$	1,375
Nylander, Bryan	$	88,205
Roberts, Melanie	$	41,729
Smith, Annette	$	1,925
Steiert, Patt	$	73,903
Wehrhahn, Adele	$	2,365
Total Board	$	16,730
Total Management	$	291,496

North West Regional College

LIST OF PAYMENTS TO SUPPLIERS
GREATER THAN $20,000 FOR 2001-2002

(unaudited)

	2001-2002
Architecture Interior Design	28,492
Association of Saskatchewan Regional Colleges	26,000
Bee-J's Stationers	32,122
Blue Cross	93,610
Bralin Computer Service	43,551
Dumont Technical Institute	86,938
Executive Source	20,814
M & B Contracting	20,000
Municipal Employees Superannuation	216,857
North Battleford School Division No.103	182,257
Receiver General	907,684
Saskatchewan Government Employees Union	63,020
Saskatchewan Property Management Corp	45,704
SaskTel	62,106
SIAST - Kelsey Campus	69,902
SIAST - Palliser Campus	72,106
SIAST - Wascana	46,615
SIAST-Woodlands Campus	484,690
SMR Corporation	32,159
Teacher's Superannuation Fund	37,386
Ultra Print Services	40,050
University of Saskatchewan Bookstore	25,508
University of Saskatchewan Business Office	42,341